



Senate

General Assembly

February Session, 2016

File No. 333

Senate Bill No. 407

Senate, March 30, 2016

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT PRESERVING THE INTERESTS OF PRIOR TITLE HOLDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016*) No claim or lien by the
2 state of Connecticut under section 17b-93 of the general statutes shall
3 be effective against any other person unless recorded on the land
4 records of the municipality in which the land is located, and no such
5 recorded lien shall be effective against any holder of any prior
6 recorded interest in such land.

7 Sec. 2. Section 17b-85 of the general statutes is repealed and the
8 following is substituted in lieu thereof (*Effective October 1, 2016*):

9 If any person receiving an award for the care of any dependent
10 child or children, or any person legally liable for the support of such
11 child or children, or any other person being supported wholly or in
12 part under the provisions of the state supplement program, medical
13 assistance program, temporary family assistance program or state-
14 administered general assistance program or any beneficiary under

15 such provisions or any legally liable relative of such beneficiary,
 16 receives property, wages, income or resources of any kind, such person
 17 or beneficiary, within ten days after obtaining knowledge of or
 18 receiving such property, wages, income or resources, shall notify the
 19 commissioner thereof, orally or in writing, unless good cause is
 20 established for failure to provide such notice, as determined by the
 21 commissioner. No such person or beneficiary shall sell, assign,
 22 transfer, encumber or otherwise dispose of any property without the
 23 consent of the commissioner, provided the sale, assignment, transfer,
 24 encumbrance or other disposition of real property without such
 25 consent shall not impair any title or interest in the real property. The
 26 provisions of section 17b-137 shall be applicable with respect to any
 27 person applying for or receiving an award under such provisions.
 28 Except for the supplemental nutrition assistance program, any change
 29 in the information which has been furnished on an application form or
 30 a redetermination of eligibility form shall also be reported to the
 31 commissioner, orally or in writing, within ten days of the occurrence of
 32 such change, unless good cause is established for failure to provide
 33 such notice, as determined by the commissioner. For participants in
 34 the supplemental nutrition assistance program, the commissioner shall
 35 establish reporting requirements regarding such changes in
 36 information in accordance with applicable federal law, as may be
 37 amended from time to time.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2016	New section
Sec. 2	October 1, 2016	17b-85

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:***

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Social Services, Dept.	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None***Explanation***

The bill results in a revenue loss associated with limiting the ability of the Department of Social Services (DSS) to collect on claims or liens on real property. DSS collected approximately \$9.7 million in related property in FY 15 and \$7.1 million through February 2016.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and amount of related claims or liens.

OLR Bill Analysis**SB 407*****AN ACT PRESERVING THE INTERESTS OF PRIOR TITLE HOLDERS.*****SUMMARY:**

This bill prevents a previously recorded interest in property from losing its priority to an unrecorded or subsequently recorded claim or lien by the state against a person for repayment of state aid. The bill does so by specifying that:

1. no such claim or lien by the state is effective unless it is recorded on the land records in the municipality where the land is located,
2. any such recorded lien is subordinate to previously recorded interests in the land, and
3. recorded title or interest in real property is not affected if the owner disposes of it without the Department of Social Services (DSS) commissioner's consent when such consent is required.

The law generally prohibits beneficiaries of state aid programs from selling, assigning, transferring, encumbering, or otherwise disposing of any property without the DSS commissioner's consent. This applies to beneficiaries of the state supplement, medical assistance, temporary family assistance, or state-administered general assistance programs.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***Related Bill***

HB 5441, reported favorably by the Human Services Committee, eliminates a requirement that state medical or financial assistance

recipients or their legally liable relatives get consent from DSS before selling, assigning, transferring, encumbering, or otherwise disposing of property. It instead requires these individuals to mail the commissioner written notice within seven business days of taking such action.

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 18 Nay 0 (03/15/2016)